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4 *Attorneys for Secured Creditor, US Bank Trust National Association, not in its Individual*  
5 *Capacity but Solely as Owner Trustee for VRMTG Asset Trust, and its authorized servicer, Fay*  
6 *Servicing, LLC*

7 **UNITED STATES BANKRUPTCY COURT**  
8 **NORTHERN DISTRICT OF CALIFORNIA – SAN FRANCISCO DIVISION**

9 In re:

10 LEGAL RECOVERY, LLC,

11 Debtor.

Case No.: 24-30074 DM

Chapter 11

12 **NOTICE OF ELECTION UNDER 11 U.S.C.**  
13 **§ 1111(b)**

Hearing Date: August 2, 2024

Hearing Time: 10:00 a.m.

14 Location: United States Bankruptcy Court  
450 Golden Gate Ave., 16<sup>th</sup> Fl.  
San Francisco, CA  
15 **Zoom or AT&T Conference**

16  
17 **TO THE HONORABLE JUDGE DENNIS MONTALI, UNITED STATES**  
18 **BANKRUPTCY JUDGE, THE DEBTOR AND DEBTOR-IN-POSSESSION, THEIR**  
19 **COUNSEL OF RECORD, IF ANY, AND ALL OTHER PARTIES IN INTEREST:**

20 **PLEASE TAKE NOTICE THAT,** pursuant to Bankruptcy Rule 3014(a) and 11 U.S.C.  
21 § 1111(b), US Bank Trust National Association, not in its Individual Capacity but Solely as  
22 Owner Trustee for VRMTG Asset Trust, and its authorized servicer, Fay Servicing, LLC  
23 (“Secured Creditor” or “US Bank”), hereby elects application of 11 U.S.C. § 1111(b) to its pre-  
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petition claim of approximately \$3,530,573.15, which is secured by the real property collateral of Legal Recovery, LLC (“Debtor”), which Debtor allegedly obtained via Sherriff’s Sale in early 2024.<sup>1</sup> Moreover, any and all post-petition fees and costs incurred pre-confirmation, should also be treated as fully secured under Debtor’s Plan pursuant to 11 U.S.C. § 1111(b) (*See In re SNTL Corp.*, 571 F.3d 826 (9<sup>th</sup> Cir. 2009); *See also* In re Castillo, 488 B.R. 441, 2013 Bankr. LEXIS 912, 57 Bankr. Ct. Dec. 207, 2013 WL 953334 (Bankr. C.D. Cal. March 8, 2013).

Considering the above, Secured Creditor’s pre-petition claim of \$3,530,573.15, plus Secured Creditor’s post-petition, pre-confirmation fees and costs, once determined and substantiated, should all be treated as fully secured under 11 U.S.C. § 1111(b), notwithstanding any valuation pursuant to 11 U.S.C. § 506(a).

**WRIGHT, FINLAY & ZAK, LLP**

Dated: June 6, 2024

By: /s/ Arnold L. Graff

ARNOLD L. GRAFF, Esq.  
Attorneys for Secured Creditor, US Bank  
Trust National Association, not in its  
Individual Capacity but Solely as Owner  
Trustee for VRMTG Asset Trust, and its  
authorized servicer, Fay Servicing, LLC

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<sup>1</sup>Notwithstanding making this election pursuant to 1111(b), Secured Creditor expressly reserves the right to object to plan confirmation and/or to seek relief from the automatic stay on whatever basis it possesses in this chapter 11, Subchapter V Case. Secured Creditor also reserves the right to withdraw its election should the proposed plan be subsequently amended in a way that substantially alters the currently proposed treatment of Secured Creditor’s claim, or the parties otherwise reach a voluntary agreement as to treatment.

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Solely as Owner Trustee for VRMTG Asset Trust

**UNITED STATES BANKRUPTCY COURT**  
**NORTHERN DISTRICT OF CALIFORNIA – SAN FRANCISCO DIVISION**

In Re: ) Case No.: 24-30074-DM  
) Chapter: 11  
)  
LEGAL RECOVERY, LLC, )  
) **CERTIFICATE OF SERVICE**  
)

Debtor.

I am employed in the County of Orange, State of California. I am over the age of  
eighteen (18) and not a party to the within action. My business address is 4665 MacArthur Court,  
Suite 280, Newport Beach, California 92660.

1 On 06/07/2024, I served the foregoing document described as **NOTICE OF**  
2 **ELECTION UNDER 11 U.S.C. § 1111(b) and CERTIFICATE OF SERVICE** on the  
3 interested parties in this action as follows:

4 [X] (BY MAIL) I caused such envelope with postage thereon fully prepaid to be  
5 placed in the United States mail at Las Vegas, Nevada. I am readily familiar with the firm's  
6 business practice for collection and processing of correspondence for mailing with the U.S.  
7 Postal Service pursuant to which practice the correspondence is deposited with the U.S. Postal  
8 Service the same day in the ordinary course of business.

9 [X] (BY ELECTRONIC SERVICE) Pursuant to CM/ECF System, registration as a  
10 CM/ECF user constitutes consent to electronic service through the Court's transmission  
11 facilities. The Court's CM/ECF systems sends an e-mail notification of the filing to the parties  
12 and counsel of record listed above who are registered with the Court's EC/ECF system.

13 [X] (FEDERAL) I declare that I am employed in the office of a member of the bar of  
14 this court at whose direction the service was made.

15 I declare under penalty of perjury of the laws of the United States that the foregoing is  
16 true and correct. Executed on 6/6/2024, at Newport Beach, California.

17 /s/ Jackie Powell  
18 JACKIE POWELL  
19  
20  
21  
22  
23  
24

**PARTIES SERVED BY ECF ELECTRONIC MAIL:**

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